

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN EXAMINATION BY THE PUBLIC)
SERVICE COMMISSION OF THE)
APPLICATION OF THE FUEL ADJUST-)
MENT CLAUSE OF CUMBERLAND VALLEY) CASE NO. 8597
RURAL ELECTRIC COOPERATIVE)
CORPORATION FROM NOVEMBER 1,)
1980, TO OCTOBER 31, 1982)

O R D E R

Pursuant to 807 KAR 5:056, Sections 1(11) and (12), the Public Service Commission ("Commission") issued its Order on September 7, 1982, scheduling a hearing to review the operation of the fuel adjustment clause of Cumberland Valley Rural Electric Cooperative Corporation ("Cumberland Valley") for the past 2 years and to determine the amount of fuel cost that should be transferred (rolled in) to the base rates in order to reestablish the fuel adjustment charge.

Cumberland Valley filed all requested information, including its monthly fuel charges for the 2-year period under review. Following proper notice, a hearing was held on January 25, 1983.

The Commission approved a transfer (roll-in) of 3.11 mills per KWH to the base rates of Cumberland Valley's wholesale supplier, East Kentucky Power Cooperative, Inc., ("East Kentucky") in Case No. 8588. Approval of East Kentucky's proposal requires

that Cumberland Valley also be authorized to roll in those same fuel costs to its base rates.

The Commission has reviewed the monthly fuel adjustment clause filing made by Cumberland Valley in conjunction with the schedule of over- or under-recovered fuel costs filed in this proceeding. This review indicates that the Commission should revise the monthly fuel adjustment clause filing form to minimize errors.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that:

1. Cumberland Valley has complied in all material respects with the provisions of 807 KAR 5:056.

2. Cumberland Valley's wholesale supplier has been authorized to transfer (roll in) to its base rates fuel costs of 3.11 mills per KWH in Case No. 8588.

3. Cumberland Valley should be authorized to increase the rates charged its customers by 3.44 mills per KWH in order to transfer fuel costs rolled in by East Kentucky from the fuel adjustment clause to the base rates pursuant to the Commission's Order in Case No. 8588 and applicable line loss, and this can best be accomplished by an energy adder to each KWH sold.

4. The revised rates and charges in Appendix A are designed to reflect the transfer of fuel costs from the fuel adjustment clause rate to the base rates.

5. The monthly fuel adjustment clause filing form currently being filed by Cumberland Valley should be revised.

IT IS THEREFORE ORDERED that the charges collected by Cumberland Valley through the fuel adjustment clause for the period November 1, 1980, through October 31, 1982, be and they hereby are approved.

IT IS FURTHER ORDERED that Cumberland Valley be and it hereby is authorized to transfer to its base rates fuel costs transferred by its wholesale supplier pursuant to Case No. 8588.

IT IS FURTHER ORDERED that the rates in Appendix A be and they hereby are approved for service rendered by Cumberland Valley on and after June 1, 1983, which is also the effective date for East Kentucky's rates.

IT IS FURTHER ORDERED that within 30 days from the date of this Order Cumberland Valley shall file with the Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that the revised monthly fuel clause form in Appendix B shall be used by Cumberland Valley for all filings made after the date of this Order pursuant to 807 KAR 5:056 to recover or refund fuel charges or credits billed or refunded by its wholesale supplier.

Done at Frankfort, Kentucky, this 3rd day of June, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 8597 DATED JUNE 3, 1983.

The following rates and charges are prescribed for the customers in the area served by Cumberland Valley Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

SCHEDULE I FARM, HOME, SCHOOLS AND CHURCHES*

Rates:

Customer Charge	\$5.00	Per Month Per Customer
First 500 KWH	.06898	Per KWH
Over 500 KWH	.05899	Per KWH

SCHEDULE II SMALL COMMERCIAL AND SMALL POWER*

Rates:

Demand Charge: Per KW of Billing Demand \$ 3.68

Energy Charge:

Customer charge	\$5.00	Per Month Per Customer
First 3,000 KWH	.08409	Per KWH
Over 3,000 KWH	.06531	Per KWH

SCHEDULE III ALL ELECTRIC SCHOOL (A.E.S.)*

Rates:

All KWH	\$.06369	Per KWH
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SCHEDULE IV
LARGE POWER RATE - INDUSTRIAL*

Rates:

Demand Charge: Per KW of Billing Demand \$ 5.71

Energy Charge:

All KWH .03881 Per KWH

SCHEDULE IV-A
LARGE POWER RATE - 50 KW TO 2,500 KW*

Rates:

Demand Charge: Per KW of Billing Demand \$ 3.68

Energy Charge:

All KWH .04769 Per KWH

SCHEDULE VI
OUTDOOR LIGHTING - SECURITY LIGHTS*

Rates:

Mercury Vapor Lamps

1)	175 Watt	\$ 6.28 Per Lamp Per Month
2)	400 Watt	9.03 Per Lamp Per Month

*Fuel Adjustment Clause

All rates are applicable to the Fuel Adjustment Clause and may be increased or decreased by an amount per KWH equal to the fuel adjustment amount per KWH as billed by the Wholesale Power Supplier plus an allowance for line losses. The allowance for line losses will not exceed 10% and is based on a twelve-month moving average of such losses. This Fuel Clause is subject to all other applicable provisions as set out in 807 KAR 5:056.

The monthly kilowatt hour usage shall be subject to plus or minus an adjustment per KWH determined in accordance with the "Fuel Adjustment Clause."

COMPANY: _____

POWER SUPPLIER: _____

Disposition of Energy (KWH) - Month of: _____

Purchased Power -

Month of: _____

1. Total Purchases	_____	13. Fuel Adjustment Charge (Credit):	_____
2. Sales (Ultimate Consumer)	_____	A. Billed by supplier	_____
3. Company Use	_____	B. (Over) Under Recovery (L12)	_____
4. Total Sales (L2 + L3)	_____	C. Unrecoverable - Schedule 2	_____
		D. Recoverable Fuel Cost	_____
		(L13 A+B-C)	_____
5. Line Loss & Unaccounted for	_____	14. Number of KWH Purchased	_____
(L1 less L4)	_____	15. Supplier's FAC:	_____
		\$ per KWH (L13A + 14)	_____

(Over) or Under Recovery	- Month of: _____	Line Loss	_____
6. Last FAC Rate Billed Consumers	_____	16. Last 12 Months Actual (%) -	_____
7. Gross KWH Billed at the Rate	_____	17. Last Month Used to Compute L16	_____
on L6	_____	18. Line Loss for Month on L17 (%)	_____
8. Adjustments to Billing (KWH)	_____	(L5 + L1)	_____
9. Net KWH Billed at the Rate on	_____	Calculation of FAC Billed Consumers	_____
L6 (L7 + L8)	_____	19. Sales as a Percent of Purchases	_____
		(100% less percentage on L16)	_____
10. Fuel Charge (Credit) Used to	_____	20. Recovery Rate \$ per KWH	_____
Compute L6	_____	(L13D + L14)	_____
11. FAC Revenue (Refund) Resulting	_____	21. FAC \$ per KWH (L20 + L19)	_____
from L6 (net of billing adj.)	_____	22. FAC \$ per KWH (L21 x 100)	_____
12. Total (Over) or Under	_____		_____
Recovery (L10 less L11)	_____		_____

Line 22 reflects a Fuel Adjustment Charge (Credit) of _____ \$ per KWH to be applied to bills rendered on and after _____, 19____.

Issued by: _____ Title: _____

Address: _____ Telephone: _____

SCHEDULE 1
TWELVE MONTH ACTUAL LINE LOSS
FOR FUEL ADJUSTMENT CHARGE COMPUTATION
FOR _____, 198__

	(a) <u>KWH PURCHASED</u>	(b) <u>KWH SOLD</u>	(c) <u>OFFICE USE</u>	(d) <u>KWH LOSSES</u>
Previous twelve months total -				
Less: Prior year-current month total -				
Plus: Current year-current month total -				
Most Recent Twelve Month Total -				

(d) _____ ÷ (a) _____ = _____ Enter on line 16 of the current month's
(FAC) Report

SCHEDULE 2
CALCULATION OF UNRECOVERABLE FUEL COST
DUE TO EXCESSIVE LINE LOSS
FOR THE MONTH ENDED

1. Purchases For the Month (KWH) _____
2. Less Line Loss (10% x L1) _____
3. Sales (L1 less L2) _____
4. Unrecoverable Fuel Charge Per KWH:
 - a. FAC Rate based on Actual Line Loss
(Current Month's Report L15 ÷ (100% Less L16) \$ _____
 - b. FAC Rate based on 10% Line Loss
(Current Month's Report L15 ÷ 90%) _____
 - c. Increment unrecoverable \$ _____
5. Unrecoverable Fuel Cost - (L4c x L3 enter on Line
13c of current month's FAC report) \$ _____

Note: This schedule is to be filed for each month that the 12 month actual Line Loss exceeds 10% and the amount billed by the supplier is a charge. This schedule is not to be filed if the amount billed by the supplier is a credit.